

# EXECUTIVE SECRETARIAT

## ROUTING SLIP

TO:

		ACTION	INFO	DATE	INITIAL
1	DCI				
2	DDCI				
3	EXDIR				
4	D/ICS				
5	DDI				
6	DDA		X		
7	DDO				
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt				
13	D/Pers				
14	D/OLL				
15	D/PAO				
16	SA/IA				
17	AO/DCI				
18	C/IPD/OIS				
19					
20					
21					
22					
SUSPENSE		Date			

Remarks

To 6: FYI, Agenda Item # 2.

Executive Secretary

12 Dec 84

Date

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REG

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WASHINGTON

Executive Registry

84-10094

## CABINET AFFAIRS STAFFING MEMORANDUM

Date: 12/11/84 Number: 169104CA Due By: \_\_\_\_\_

Subject: Cabinet Council on Economic Affairs Planning Meeting:  
Federal Home Loan Mortgage Corp. Stock Transfer  
December 13, 1984 TOPICS: Rpt of Working Group on Employment Policy

ALL CABINET MEMBERS	Action	FYI		Action	FYI
Vice President	<input type="checkbox"/>	<input type="checkbox"/>	CEA	<input checked="" type="checkbox"/>	<input type="checkbox"/>
State	<input checked="" type="checkbox"/>	<input type="checkbox"/>	CEQ	<input type="checkbox"/>	<input type="checkbox"/>
Treasury	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OSTP	<input type="checkbox"/>	<input type="checkbox"/>
Defense	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Attorney General	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Interior	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Agriculture	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Baker	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Commerce	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Deaver	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Labor	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Darman (For WH Staffing)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HHS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	McFarlane	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HUD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Svahn	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Chapman	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Energy	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Education	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Counsellor	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
OMB	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
CIA	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
UN	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
USTR	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
GSA	<input type="checkbox"/>	<input type="checkbox"/>	Executive Secretary for:		
EPA	<input type="checkbox"/>	<input type="checkbox"/>	CCCT	<input type="checkbox"/>	<input type="checkbox"/>
NASA	<input type="checkbox"/>	<input type="checkbox"/>	CCEA	<input checked="" type="checkbox"/>	<input type="checkbox"/>
OPM	<input type="checkbox"/>	<input type="checkbox"/>	CCFA	<input type="checkbox"/>	<input type="checkbox"/>
VA	<input type="checkbox"/>	<input type="checkbox"/>	CCHR	<input type="checkbox"/>	<input type="checkbox"/>
SBA	<input type="checkbox"/>	<input type="checkbox"/>	CCLP	<input type="checkbox"/>	<input type="checkbox"/>
			CCMA	<input type="checkbox"/>	<input type="checkbox"/>
			CCNRE	<input type="checkbox"/>	<input type="checkbox"/>

## REMARKS:

There will be a Cabinet Council on Economic Affairs Planning Meeting on Thursday, December 13, at 8:45 A.M. in the Roosevelt Room.

The agenda and background papers are attached.

## RETURN TO:

☐ Craig L. Fuller  
Assistant to the President  
for Cabinet Affairs  
456-2823 (White House)

☐ Don Clarey ☐ Tom Gibson ☐ Larry Herbolsheimer  
Associate Director  
Office of Cabinet Affairs  
456-2800 (Room 129, OE08)

THE WHITE HOUSE

WASHINGTON

December 11, 1984

MEMORANDUM FOR THE CABINET COUNCIL ON ECONOMIC AFFAIRS

FROM: ROGER B. PORTER *RBP*

SUBJECT: Agenda and Papers for the December 13 Meeting

The agenda and papers for the December 13 meeting of the Cabinet Council on Economic Affairs are attached. The meeting is scheduled for 8:45 a.m. in the Roosevelt Room.

The Cabinet Council agreed at today's meeting to defer further discussion of the Treasury Tax Simplification and Reform Proposal until Tuesday, December 18, 1984. The new agenda for the December 13 meeting will include two agenda items.

The first is a review of the Federal Home Loan Mortgage Corporation (FHLMC) Stock Transfer. Last Thursday, the Federal Home Loan Bank Board took the first steps towards transferring FHLMC's appreciated value (through a stock dividend) to member institutions (Saving and Loan Associations) as a means of increasing the S&L's net worth. A paper from Gregory Ballentine, "Dividend of Federal Home Loan Mortgage Corporation Stock to the Thrift Industry," on this issue is attached.

The second agenda item is a report from the Working Group on Employment Policy. This report will focus on youth employment and covers three issues:

1. The Youth Employment Opportunity Wage
2. The Targeted Jobs Tax Credit Extension
3. Summer Youth Employment and Training Program Fund Distribution

Issue papers on these three topics prepared by the Working Group are also attached.

Attachments

THE WHITE HOUSE  
WASHINGTON

CABINET COUNCIL ON ECONOMIC AFFAIRS

December 13, 1984

8:45 a.m.

Roosevelt Room

AGENDA

1. Federal Home Loan Mortgage Corporation Stock Transfer  
(CM # 509)
2. Report of the Working Group on Employment Policy (CM # 510)

THE WHITE HOUSE  
WASHINGTON

December 11, 1984

## MEMORANDUM FOR THE CABINET COUNCIL ON ECONOMIC AFFAIRS

FROM: THE WORKING GROUP ON EMPLOYMENT POLICY

SUBJECT: Proposed Youth Employment Opportunity Wage Act  
of 1985

The Department of Labor is proposing the resubmission of legislation to create a Youth Employment Opportunity Wage (YEOW). YEOW would permit employers to pay youth 19 years of age and under a wage of \$2.50 per hour, 25 percent below the regular Federal minimum wage of \$3.35 per hour. This wage would apply between May 1 and September 30 of each year. The Department estimates that a YEOW would create an additional 400,000 summer employment opportunities.

Background

Unemployment among youth has been at double digit levels for the last 30 years. The youth unemployment rate has moved cyclically in response to the business cycle, reaching a higher peak with each cycle. The unemployment rate for all youth (age 16-19) in October 1984 was 18.8 percent. The rate for black youth was 40.2 percent.

Youth unemployment has remained high despite the panoply of Federal Government programs directed toward youth employment and training. These programs ranged from remedial education to job creation projects to tax credits.

One major proposal that has not yet been tried is a differential minimum wage for youth. The Congress considered such a proposal in 1977, which almost passed. The Cornell Amendment would have provided a youth opportunity wage of 85 percent of the regular minimum wage for the first six months of employment for all youth 18 and under. After 6 months of employment, the youth would be paid the full minimum wage. The amendment was defeated in the House 210 to 211 (with 14 not voting) and in the Senate 44 to 49 (with 6 not voting).

In March 1983, this Administration proposed the Employment Act of 1983, which included a provision that would have established the youth employment opportunity wage. Unfortunately, the Congress devoted little attention to the YEOW proposal.